

REMARKS

Applicants respectfully request reconsideration of the above-captioned application.

Claims 1-28 are currently pending.

New claims 22-28 have been added. Support for these new claims can be found in the specification, e.g., on page 53, line 15 - page 57, line 27. Claim 4 has been amended to correct minor typographical errors. Support for these changes can be found in the specification on page 9, lines 6-8, for instance. Claim 8 has been amended for readability.

The Office Action includes rejections of claims 1-5, 11-12, 15-19 and 20-21 under 35 U.S.C. § 103(a) as allegedly being unpatentable over the *Franklin et al.* patent (U.S. Patent No. 5,883,810). This rejection is respectfully traversed.

The cited documents must teach or suggest all of the claim limitations to establish a *prima facie* case of obviousness (see, MPEP § 2143). This rejection included in the Office Action cannot stand at least because the *Franklin et al.* patent does not teach each and every claim limitation of the independent claims. Applicants respectfully assert that the claims in the present application further define novel and inventive subject matter not described or suggested in the *Franklin et al.* patent.

A Common Distinction in All Pending Claims

With respect to pending independent claims, the *Franklin et al.* patent does not teach or suggest a limited use credit card number, which is deactivated upon a use-triggered condition, which occurs subsequent to assignment of the limited use credit card number. In contrast, the *Franklin et al.* patent teaches an electronic online commerce card with a transaction proxy number that has a finite life (column 9, lines 43-62). Indeed, the *Franklin et al.* patent does not disclose any "use-triggered" condition that deactivates its transaction proxy number (i.e., nothing about the use of the transaction proxy number causes it to be deactivated). Rather, the transaction proxy number taught in the *Franklin et al.* patent transaction proxy number that is active for a short time, which can be tied to a specific transaction, and is designed to be a single-use transaction card (column 2, lines 12-15). Actually, the *Franklin et al.* patent teaches that the transaction proxy number is deactivated upon the expiration of a time limit, which is typically one-half hour to two hours, regardless of whether the transaction number is ever even used, used only once, or used multiple times within the short time limit (column 9, lines 57-58).

It is pointed out that any proposed modification to the *Franklin et al.* system that would result in this feature of the present invention would necessarily change the principle of operation of the *Franklin et al.* system. As such, the *Franklin et al.* patent cannot render

the pending claims *prima facie* obvious. See, e.g., *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959), cited in MPEP 2143.01.

The expiration of a time limit is certainly not a limited use event pertaining to the use of the limited use credit card number. Indeed, there is a fundamental difference between a time-triggered event and a use-triggered event. As such, independent claims 1, 8, 16, 18 and 22 define novel and inventive subject matter not described or suggested in the *Franklin et al.* patent for at least this reason.

Independent Claim 1

Additionally, the Office Action acknowledges that the *Franklin et al.* patent does not teach or suggest sending a limited use credit card number which is not yet activated, as disclosed in claim 1. In fact, the *Franklin et al.* patent teaches away from the feature of sending a limited use credit card number which is not yet activated, within the meaning of the term as described in the specification of the present application (page 54, lines 13-22). The *Franklin et al.* patent teaches a transaction proxy number which is issued during the transaction and which is typically only valid for one-half hour to two hours. Accordingly, the feature of sending a limited use credit card number which is not yet activated would not have been obvious to a skilled artisan at the time the invention was made, but in fact would

require a fundamentally different approach to the issue of on-line security employing substitute credit card numbers.

It should be noted that the present invention provides a great deal more flexibility to the end user. For example, a card holder could activate his or her card number for a specific merchant or groups of merchants, for a specific type of transaction, or for a specific number of transactions. These activation properties can also be combined in many permutations. Put simply, the card holder controls the precise scope of the activation of his or her card number by defining the properties and parameters of the activation process. Accordingly, the present invention provides a solution that meets the long-standing need for a secure, flexible payment system for remote transactions.

There is no suggestion in the *Franklin et al.* patent, however, concerning any such user-controlled, use-specific activation of a credit card number that is subject to deactivation upon user-defined, use-triggered conditions. To the contrary, the *Franklin et al.* patent teaches a transaction proxy number, the activation parameters of which are: (1) limited to a single use (Abstract line 10-12), (2) are controlled, if at all, by the issuing institution and not the user (column 2, lines 50-52), and (3) are deactivated upon the expiration of a time limit rather than upon user-specified, use-triggered conditions (column

9, lines 57-58).¹ Thus, claim 1 further defines novel and inventive subject matter not described or suggested in the *Franklin et al.* patent for at least this reason. By virtue of the reasons set forth above, Applicants respectfully request that the rejections to claim 1, and the claims that depend therefrom, be reconsidered and withdrawn.

Dependent Claim 2

With respect to claim 2, moreover, the Office Action acknowledges that the *Franklin et al.* patent does not teach or suggest a method of controlling the validity of a limited use credit card number, wherein the limited use properties are selected from a specific group of merchants. In contrast, the *Franklin et al.* patent discloses a transaction proxy number that is designed to be strictly a *specific-use* transaction number, for one-time use in a specific transaction by linking some transaction specific information and, therefore, necessarily only with a specific merchant. The *Franklin et al.* patent identifies its system as involving "a transaction number for a single transaction"² or words to this effect (see, e.g.,

¹ The suggested motivation for a modification to the *Franklin et al.* system appearing at page 4 of the Office Action is not completely understood because it does not appear to relate to the concept of "activation". If the rejection is continued, Applicants would like a fuller explanation of the Office's reasoning.

² It is respectfully submitted that because the *Franklin et al.* system has no mechanism for preventing multiple use for a specific transaction (as disclosed it could be used to make the same purchase multiple times with the same merchant even when the (continued...)

Abstract line 10-12; column 2, lines 14-15; column 4, line 65 - column 5, line 3; and column 9, line 63). Indeed, the Office Action specifically quotes one such instance:

For added security, the transaction number can be linked to extra transaction information to ensure that the number is only used for one specific transaction. For instance, the issuing institution might tie the transaction number to a specific purchase amount and a particular merchant ID [emphasis added].

The *Franklin et al.* patent offers no suggestion whatsoever for providing a limited use credit card number which is usable for multiple transactions, or with a specific group of merchants. Rather, the *Franklin et al.* patent focuses solely on a single-use transaction number, for use with a single merchant. This novel feature of the present invention resolves a long-felt but unresolved need for a limited use credit card number that is limited to use with a specific group of merchants (e.g., so that the number can only be used with food merchants, or clothing merchants, etc.). Consequently, this feature would not have been obvious to a person of ordinary skill in the art at the time the invention was made.

²(...continued)

merchant information is linked to the transaction), it would seem more appropriate to describe it as a "specific", rather than "single", use credit card.

Dependent Claim 3

With respect to claim 3, the *Franklin et al.* patent does not teach the limitation sending to a customer a unique personal validity limited credit card number. For at least the same reasons discussed above, the validity of the credit card number disclosed in the *Franklin et al.* patent is not limited by the card holder's own personal validation properties. In particular, as disclosed in the *Franklin et al.* patent, the scope of validation is not personal (i.e., the card is not valid for specific merchants, specific types of personal transactions, etc.). Moreover, the validity of the card number disclosed in the *Franklin et al.* patent is not limited (as recited in the corresponding independent claim 1 of the present application) by associated user-defined limited use properties because the card number is not rendered invalid upon a subsequent use-triggered condition. Rather, it becomes invalid at the lapse of its expiration term. While the transaction number disclosed in the *Franklin et al.* patent can be linked to extra transaction information (e.g. the merchant name, or the specific transaction amount) the user can not define personal limited use properties for the transaction number. Therefore, because the *Franklin et al.* patent does not disclose or suggest a unique personal validity limited credit card number, claim 3 further defines novel and inventive subject matter for at least this reason.

Dependent Claim 4

With respect to claim 4, the *Franklin et al.* patent does not teach or suggest providing an option for a user to specify additional limitations other than the specific merchant to the limitation on the limited use credit card number. In contrast, the *Franklin et al.* patent teaches that, for added security, the transaction number can be linked to extra transaction information, specified by the issuing institution, to ensure that the number is only used for one specific transaction. For instance, the issuing institution might tie the transaction number to a specific purchase amount and a particular merchant ID (column 2, lines 50-52). Or, the issuing institution imposes a short expiration term on the transaction number so that the number becomes invalid after the expiration term lapses (column 2, lines 52-55). While the transaction module disclosed in the *Franklin et al.* patent may require the customer to enter information pertaining to the purchase, like the purchase price, item number, merchant name, etc. (column 9, line 66 - column 10, line 5), the user does not have the option to specify additional limitations. For instance, after entering the required information pertaining to the purchase, as mentioned above, the user could not additionally specify that the number of transactions must equal 1, thereby preventing the merchant from fraudulently charging multiple identical transactions. Thus, because the *Franklin et al.* patent does not teach or suggest providing an option for a user to specify

additional limitations on the limited use credit card number, claim 4 further defines novel and inventive subject matter for at least this reason.

Dependent Claim 5

With respect to claim 5, the Office Action acknowledges that the *Franklin et al.* patent does not teach deactivating the limited use credit card number by the card issuer when a triggered condition is present. As discussed above concerning claim 1, the *Franklin et al.* patent teaches a time-limited transaction proxy number that is deactivated upon the expiration of a time limit, not upon a subsequent use-triggered condition (column 9, lines 57-58). The expiration of a time limit fundamentally differs from a limited use event pertaining to the use of the limited use credit card number. As such, the *Franklin et al.* patent teaches away from the feature of deactivating the limited use credit card number when a condition triggered by the use of the number is present. Therefore, this feature would not have been obvious to a skilled artisan at the time the present invention was made.

Other Dependent Claims

For at least the same reasons discussed above, Applicants respectfully request that the rejections to claims 11-12 be reconsidered and withdrawn. Because the *Franklin et al.*

patent does not teach or suggest a limited use credit card number which is deactivated upon a use-triggered condition, claims 11-12 further define novel and inventive subject matter.

With respect to claim 15, Applicants respectfully request that the rejections to this claim be reconsidered and withdrawn, if for not other reason than because this dependent claim includes all the limitations of claims 8 and 13, and reasons are set forth below regarding the novel and inventive nature of both these claims.

With respect to claims 16, 18 and 20-21 the Office Action, again, acknowledges that the *Franklin et al.* patent does not teach a limited use credit card number that is not yet activated. For the reasons set forth above with respect to claim 1, in fact, the *Franklin et al.* patent teaches away from this feature. Thus, sending a limited use credit card number which is not yet "activated" would not have been obvious to a person of ordinary skill in the art at the time the invention was made.

With respect to claims 17 and 19, Applicants respectfully request that the rejections to these claims be reconsidered and withdrawn, for at least the same reasons discussed above. The *Franklin et al.* patent does not teach or suggest a limited use credit card number which is deactivated upon a use-triggered condition. Accordingly, claim 17 and 19 further define novel and inventive subject matter.

Franklin et al. in view of Masuda

The Office Action also includes rejections of claims 6-10 and 13-14 as allegedly being unpatentable over the *Franklin et al.* patent in view of the newly cited *Masuda* patent (U.S. Patent No. 5,777,306). This rejection is respectfully traversed.

In accordance with the case law, as outlined in the MPEP § 2143, three criteria must be met to establish a *prima facie* case of obviousness. First, the cited documents must teach or suggest all of the claim limitations. Second, there must be some suggestion or motivation, either in the cited documents themselves or in the knowledge generally available to one of ordinary skill in the art, to have combined the teachings of the cited documents. Third, there must have been a reasonable expectation that the documents could have been successfully combined.

With respect to claims 6-10 and 13-14, it is respectfully submitted that even if there were some suggestion or motivation to combine the *Franklin et al.* patent and the *Masuda* patent, and a reasonable expectation of success, the references when combined do not teach or suggest all the claim limitations of the present invention. For the reasons set forth above, the *Franklin et al.* patent does not teach or suggest a limited use credit card number which is deactivated upon a use-triggered condition which occurs subsequent to assignment of the limited use credit card number.

Like the *Franklin et al.* patent, moreover, the *Masuda* patent does not teach a limited use credit card number which is deactivated upon a use-triggered condition which occurs subsequent to assignment of the limited use credit card number. In marked contrast, the *Masuda* patent is directed to a credit card system that allows a retail store or credit company to issue a credit card to a customer immediately upon application, rather than according to conventional lengthy credit card issuing processes. Also, the *Masuda* patent teaches a credit card or "first" system that may have a limit amount column for recording a limited amount of money, and the first system may further comprise means for updating the limit amount of money recorded in the limit amount column as the credit card is used (column 3, lines 32-41). The *Masuda* patent does not teach, however, that once the limit amount of money is reached, the card is deactivated, as defined in the present application. To the contrary, once the limit amount of money is reached or exceeded, the first or second system only determines that the card cannot be used for that particular transaction, i.e., the specific transaction is "declined". Significantly, the system disclosed in the *Masuda* patent does not deactivate the card number upon exceeding the limit amount of money. Thus, the rejections cannot stand at least because no combination of the cited documents teaches all of the claim limitations. Motivations to combine the cited documents and reasonable expectations of successful combinations would also be absent, but it should be sufficient to point out the absent limitations.

It is respectfully submitted that the suggestion to combine such disparate documents, with no indication of any substantial motivation for the combination of the documents themselves, may reflect a use of Applicant's claims as mere templates for picking isolated features from the art. Such hindsight reconstruction is improper. E.g., Sensonics, Inc. v. Aerosonic Corp., 38 U.S.P.Q.2d 1551 (Fed. Cir. 1996); In re Oetiker, 24 U.S.P.Q.2d 1443, 1446 (Fed. Cir. 1992) (reversing an obviousness rejection and stating the "reason, suggestion, or motivation" to combine (or modify) prior art "can not come from the applicant's invention itself. [Citation omitted.]").

General Observation About Suggested Motivations for Modifications

The Office Action includes a number of statements suggesting motivations for the many fundamental modifications to the applied art that would be required to meet the recitations of the pending claims. These statements are not supported by combined teachings in the applied art, but instead appear to be based on the use of improper hindsight obtained by the present invention. As such, a *prima facie* case of obviousness is not established. Interconnect Planning Corp. v. Feil, 774 F.2d 1132, 227 USPQ 543 (Fed. Cir. 1985). For instance, at page 7 of the Office Action, the Office suggests that the "benefit [of the proposed modification to met the recitations of claim 5] would have been to tender the credit card number to a merchant to pay for merchandise further deactivating the

limited use credit card when the transaction is completed." This teaching is found only in applicants' invention as explained above. See also, the identified "benefits" of modifications proposed to meet the recitations of claims 11-12, for instance.

Additionally, it appears to the undersigned that many of the identified "benefits" suggested in the rejection of various claims are not found in the prior art. If these rejections are to be continued, the Office is requested to identify the source of the identified motivation in order to show compliance with this important requirement for establishing a *prima facie* case of obviousness. See, MPEP 2143.01.

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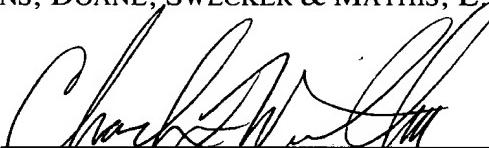
Conclusion

In light of the foregoing, Applicants respectfully request reconsideration and withdrawal of the outstanding rejection so that the present application can pass the issuance. Should any residual issues exist, the Examiner is requested to contact the undersigned so that the issuance of this patent will not be further delayed.

Respectfully submitted,

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Marked-up Claims 4 and 8

4. (Amended) The method of claim 1, wherein said validation step includes:
- activating validity limited credit card software using a user identification to identify the user with the card issuer;
- requesting validation of a limited use credit card for a merchant as identified by a merchant identification number; and
- providing an [opinion] option for a user to specify additional limitations other than the specific merchant to the [limitation] limitations on the limited use credit card number.
8. (Amended) In a financial transaction system capable of using at least one limited use credit card number [which] that is deactivated upon a use-triggered condition which occurs subsequent to assignment of the at least one credit card number, a method of conducting a transaction involving the limited use credit card [transaction] comprising the steps of:
- initiating a transaction by a customer presenting a limited use credit card number to a merchant;
- routing said limited use credit card number to a central processing system; and
- determining whether said limited use credit card number has been deactivated because at least one use-triggered condition has been satisfied.